



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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Carlos Jackson
Executive Director

June 8, 2004

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE INCORPORATION OF ADDITIONAL FUNDS INTO THE HOUSING
AUTHORITY'S FISCAL YEAR 2003-2004 BUDGET
(ALL DISTRICTS) (3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Executive Director to incorporate into the Housing Authority's Fiscal Year 2003-2004 budget additional Section 8 Housing Choice Voucher Program funds, currently estimated at \$24,000,000, which will be received from the U.S. Department of Housing and Urban Development (HUD) to fund rental subsidy payments.
2. Authorize the Executive Director to take any and all actions required to receive the above funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The Housing Authority will receive from HUD additional program funds due to increased Section 8 rental subsidy payments to landlords. These funds must be incorporated into the current fiscal year budget.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Housing Authority will receive an estimated \$24,000,000 from HUD to fund Section 8 rental subsidy payments.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Due to steadily increasing rental costs in Los Angeles County, the Housing Authority is expending a higher amount of funds than anticipated to fund rental subsidy payments. The average rental subsidy under the Section 8 Housing Choice Voucher Program has increased nine percent from the original budgeted amount. Over the past fiscal year, rental market rates in the Housing Authority's jurisdiction have outpaced the income of program participants, resulting in severely cost-burdened households.

In addition, during the annual and interim re-examination process that determines a participant's continued eligibility in the Housing Choice Voucher Program, a participant's rental contribution may be reduced if the household income has decreased. Due to decreases in household income over the past two years, the Housing Authority's rental subsidy payments have increased over 15 percent when compared to last fiscal year.

At its meeting of May 19, 2004, the Housing Commission recommended approval of this action.

IMPACT ON CURRENT SERVICES:

Approval of the increased budget authority will enable the Housing Authority to continue to conduct program activities to benefit low- and moderate-income participants of the Section 8 Housing Choice Voucher Program.

Respectfully submitted,

CARLOS JACKSON
Executive Director